

# HOUSE BILL No. 1786

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-12-43.

**Synopsis:** Homestead credit. Requires a closing agent to provide a customer with the statement required to apply for a homestead credit. Requires the closing agent to assist the customer in preparing the statement for filing.

**Effective:** July 1, 2005.

**Aguilera**

January 19, 2005, read first time and referred to Committee on Financial Institutions.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1786

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-1.1-12-43 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 43. (a) For purposes of  
3 this section:

4 (1) "benefit" refers to:

5 (A) a deduction under section 1, 9, 11, 13, 14, 16, 17.4, 26, 29,  
6 31, 33, or 34 of this chapter; or

7 (B) the homestead credit under IC 6-1.1-20.9-2;

8 (2) "closing agent" means a person that closes a transaction;

9 (3) "customer" means an individual who obtains a loan in a  
10 transaction; and

11 (4) "transaction" means a single family residential:

12 (A) first lien purchase money mortgage transaction; or

13 (B) refinancing transaction.

14 (b) Before closing a transaction after December 31, 2004, a closing  
15 agent must provide to the customer the form referred to in subsection

16 (c).

17 (c) Before June 1, 2004, the department of local government finance

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shall prescribe the form to be provided by closing agents to customers under subsection (b). The department shall make the form available to closing agents, county assessors, county auditors, and county treasurers in hard copy and electronic form. County assessors, county auditors, and county treasurers shall make the form available to the general public. The form must:

(1) on one (1) side:

(A) list each benefit;

(B) list the eligibility criteria for each benefit; and

(C) indicate that a new application for a deduction under section 1 of this chapter is required when residential real property is refinanced;

(2) on the other side indicate:

(A) each action by; and

(B) each type of documentation from;

the customer required to file for each benefit; and

(3) be printed in one (1) of two (2) or more colors prescribed by the department of local government finance that distinguish the form from other documents typically used in a closing referred to in subsection (b).

(d) A closing agent:

(1) may reproduce the form referred to in subsection (c);

(2) in reproducing the form, must use a print color prescribed by the department of local government finance; and

(3) is not responsible for the content of the form referred to in subsection (c) and shall be held harmless by the department of local government finance from any liability for the content of the form.

**(e) Beginning July 1, 2005, a closing agent shall:**

**(1) provide to each customer a copy of the statement required under IC 6-1.1-20.9 to apply for a homestead credit; and**

**(2) assist the customer in preparing the statement provided under subdivision (1) for filing under IC 6-1.1-20.9.**

~~(e)~~ (f) A closing agent to which this section applies shall document its compliance with this section with respect to each transaction in the form of verification of compliance signed by the customer.

~~(f)~~ (g) A closing agent is subject to a civil penalty of twenty-five dollars (\$25) for each instance in which the closing agent fails to comply with this section with respect to a customer. The penalty:

(1) may be enforced by the state agency that has administrative jurisdiction over the closing agent in the same manner that the agency enforces the payment of fees or other penalties payable to

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1 the agency; and  
2 (2) shall be paid into the property tax replacement fund.  
3 A closing agent is not liable for any other damages claimed by a  
4 customer because of the closing agent's mere failure to provide the  
5 appropriate document to the customer.  
6 ~~(g)~~ **(h)** The state agency that has administrative jurisdiction over a  
7 closing agent shall:  
8 (1) examine the closing agent to determine compliance with this  
9 section; and  
10 (2) impose and collect penalties under subsection ~~(f)~~ **(g)**.  
11 **SECTION 2. [EFFECTIVE JULY 1, 2005] IC 6-1.1-12-43, as**  
12 **amended by this act, applies to property taxes first due and**  
13 **payable after December 31, 2006.**

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